GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1554
ANSWERED ON:14.03.2005
MRP SOYABEAN AND COTTON
Gadakh Shri Tukaram Gangadhar

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the MRP on Soyabean and Cotton has come down this year;

(b) if so, whether the Government is aware that price of Soyabean has come down from Rs.800/- per quintal and price of cotton has come down from Rs.1400/- per quintal;

(c) whether the Government is aware that farmers are facing problem due to fall in prices;

(d) if so, the details thereof; and

(e) the steps Government is taking to save the farmer and also to control and stable the prices of these products?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): No MRP is fixed for agricultural crops. In order to ensure remunerative prices for the farmers, the Government announces Minimum Support Prices(MSPs) for major agricultural commodities. For the year 2004-05 MSPs for cotton and soyabean have been fixed at a higher level compared to the MSPs fixed for 2003-04. In the case of cotton, for F-414/H-777/J-34 (medium staple) variety, MSP for 2004-05 has been fixed at Rs. 1760 per quintal compared with Rs.1725 per quintal in 2003-04, whereas the MSP for H-4 (long staple) variety has been fixed at Rs.1960 per quintal for 2004-05 compared with Rs.1925 per quintal in 2003-04. In the case of soyabean the MSP has been fixed at Rs.1000 per quintal for the yellow variety compared with Rs.930 per quintal for 2003-04.

(b)to(e): The price of Soyabean is ruling well above the MSP. The prevailing market price for Soyabean is in the range of Rs.1300 to 1375 per quintal compared with the MSP of Rs.1000 per quintal.
As regards cotton, the prices have fallen below the MSP in all the cotton growing states and accordingly, the Cotton Corporation of India (CCI), the designated agency for procurement of Cotton at MSP has been undertaking procurement of cotton with a view to avoiding distress sale by farmers. As on March 9, 2005 the CCI procured 129.46 lakh quintals of kapas (seed cotton) equivalent to 25.17 lakh lint bales. The prevailing market prices for kapas are, however, well above Rs.1400 per quintal. With a view to protecting the interests of farmers by strengthening the infrastructure for cotton procurement, the Government have recently declared National Agricultural Cooperative Marketing Federation of India Limited (NAFED) as an agency for procurement of cotton in addition to CCI.
As regards stable prices the objective of price policy is to ensure both remunerative prices for farmers and adequate availability to consumers at reasonable prices.